

Adopted	Rejected
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## COMMITTEE REPORT

YES:	23
NO:	0

### MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1193, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 5-10-1.1-1.5, AS ADDED BY P.L.273-1999,
- 3 SECTION 231, IS AMENDED TO READ AS FOLLOWS
- 4 [EFFECTIVE JULY 1, 2001]: Sec. 1.5. (a) The state, through the
- 5 budget agency, may adopt a defined contribution plan, under Section
- 6 401(a) of the Internal Revenue Code, for the purpose of matching all
- 7 or a specified portion of state employees' contributions to the state
- 8 employees' deferred compensation plan **and for any additional**
- 9 **purposes established by statute.**
- 10 (b) The deferred compensation committee shall be the trustee of a
- 11 plan established under subsection (a) as described in section 4 of this
- 12 chapter. A plan established under subsection (a) shall be administered
- 13 by the auditor of state as described in section 5 of this chapter.
- 14 (c) The deferred compensation committee may approve funding
- 15 offerings for a plan established under subsection (a), which may be the
- 16 same as offerings for the state employees' deferred compensation plan.

1 All funds in each plan shall be separately accounted for but may be  
2 commingled for investment purposes.

3 (d) Contributions to a plan established under subsection (a) are  
4 limited to the amount of biennial appropriations made for that purpose.

5 (e) A plan established under subsection (a) must include appropriate  
6 provisions concerning the plan's day to day operation and any other  
7 provisions that are appropriate. Notwithstanding IC 22-2-6-2, the plan  
8 may also include provisions for the use of automated voice response  
9 units and telephonic communications, online activities, and other  
10 technology for participant elections, directions, and services if the  
11 technology has sufficient capacity to record and store the elections and  
12 directions.

13 (f) The state is obligated at any particular time only for the current  
14 market value of the funding previously made to a plan established  
15 under subsection (a).

16 SECTION 2. IC 5-10-1.1-7.5 IS ADDED TO THE INDIANA  
17 CODE AS A NEW SECTION TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2002]: **Sec. 7.5. (a) As used in this section,**  
19 **"state agency" means the following:**

20 **(1) An authority, a board, a branch, a commission, a**  
21 **committee, a department, a division, or other instrumentality**  
22 **of state government.**

23 **(2) A separate corporate body politic that adopts the plan**  
24 **described in subsection (b).**

25 **However, the term does not include a state educational institution**  
26 **(as defined in IC 20-12-0.5-1) or a political subdivision.**

27 **(b) The deferred compensation committee shall adopt provisions**  
28 **in a defined contribution plan, under Sections 401(a) and 414(d) of**  
29 **the Internal Revenue Code, for the purpose of converting unused**  
30 **excess accrued leave to a monetary contribution for employees of**  
31 **a state agency. These provisions may be part of the plan and trust**  
32 **established under section 1.5(a) of this chapter.**

33 **(c) The deferred compensation committee shall be the trustees**  
34 **of the plan described in subsection (b). The plan must be a**  
35 **qualified plan, as determined by the Internal Revenue Service.**

36 **(d) The state personnel department shall adopt rules under**  
37 **IC 4-22-2 that it considers appropriate or necessary to implement**  
38 **this section. The rules adopted by the state personnel department**

1 under this section must:

- 2 (1) be consistent with the plan described in subsection (b);
- 3 (2) include provisions concerning:
- 4 (A) the type and amount of leave that may be converted to
- 5 a monetary contribution;
- 6 (B) the conversion formula for valuing any leave that is
- 7 converted;
- 8 (C) the manner of employee selection of leave conversion;
- 9 and
- 10 (D) the vesting schedule for any leave that is converted;
- 11 and
- 12 (3) apply to all state agencies.

13 (e) The rules adopted by the state personnel department under

14 subsection (d) specifying the conversion formula must provide for

15 a conversion rate under which the amount contributed on behalf

16 of a participating employee for a day of leave that is converted

17 under this section is equal to at least seventy-five percent (75%) of

18 the employee's daily pay as of the employee's retirement date.

19 (f) The deferred compensation committee may adopt the

20 following:

- 21 (1) Plan provisions governing:
- 22 (A) the investment of accounts in the plan; and
- 23 (B) the accounting for converted leave.
- 24 (2) Any other plan provisions that are necessary or
- 25 appropriate for operation of the plan.
- 26 (g) The plan described in subsection (b) may be implemented
- 27 only if the deferred compensation committee has received from the
- 28 Internal Revenue Service any rulings or determination letters that
- 29 the committee considers necessary or appropriate.

30 SECTION 3. IC 5-10-12-3, AS ADDED BY P.L.195-1999,

31 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

32 JULY 1, 2001]: Sec. 3. (a) Subject to ~~subsection~~ subsections (b) and

33 (c), an employee who:

- 34 (1) has at least ten (10) years of creditable service with a state
- 35 agency;
- 36 (2) retires after June 30, 2000; and
- 37 (3) has accrued and unused sick days, vacation days, or personal
- 38 days on the employee's retirement date;

1 is entitled to have the amounts specified in section 5 of this chapter  
2 deposited by the state into a cafeteria plan under Section 125 of the  
3 Internal Revenue Code.

4 (b) The provisions of this chapter requiring the department to make  
5 deposits into a cafeteria plan on behalf of retired employees described  
6 in subsection (a) apply only if the department has received from the  
7 Internal Revenue Service any approvals or rulings that the department  
8 considers necessary or appropriate for the cafeteria plan.

9 **(c) The provisions of this chapter requiring the department to**  
10 **make deposits into a cafeteria plan on behalf of retired employees**  
11 **described in subsection (a) do not apply if the plan described in**  
12 **IC 5-10-1.1-7.5(g) is implemented and the deferred compensation**  
13 **committee has received from the Internal Revenue Service any**  
14 **rulings or determination letters that the committee considers**  
15 **necessary or appropriate for the plan described in**  
16 **IC 5-10-1.1-7.5(g).**

17 Renumber all SECTIONS consecutively.  
(Reference is to HB 1193 as introduced.)

**and when so amended that said bill do pass.**

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Representative Bauer